

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2020

Docket No. ACR2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-2 OF CHAIRMAN'S INFORMATION REQUEST NO. 20

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 20, issued on February 19, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 20**

1. Please refer to the Postal Service's response to Chairman's Information Request No. 11, question 8, in which the Postal Service estimates the impact of the January 2021 price increase for USPS Marketing Mail Carrier Route on FY 2021 volume, revenue, cost, and contribution.<sup>1</sup>
  - a. Please confirm the estimated FY 2021 before-rates volume is 4,967.35 million. If not confirmed, please provide a corrected value.
  - b. Please confirm the estimated FY 2021 before-rates revenue is \$1,727.38 million. If not confirmed, please provide a corrected value.
  - c. Please confirm the estimated FY 2021 before-rates cost is \$1,371.99 million. If not confirmed, please provide a corrected value.
  - d. Please provide supporting workpapers demonstrating the confirmed or corrected values from parts a., b., and c. of this question.

**RESPONSE:**

The impact analysis submitted in response to ChIR No. 11 unfortunately reflected errors in the process employed to convert results from the volume categories used in the demand analysis (submitted on January 20, 2021) to the volume and revenue results for the Marketing Mail products presented in the impact analysis. The development of corrected results is demonstrated in the Excel file electronically attached to these responses. For USPS Marketing Mail Carrier Route, the corrected impact results are displayed below.

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<sup>1</sup> Responses of the United States Postal Service to Questions 1-16 of Chairman's Information Request No. 11, February 11, 2021, question 8 (Response to CHIR No. 11).

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TO CHAIRMAN'S INFORMATION REQUEST NO. 20**

(Millions)	FY 2021 Forecast		
Marketing Mail	Before-Rate	After-Rates	After-Rates
Carrier Route		(Jan)	(Oct)
Volume	4,967.35	4,950.18	4,930.19
Revenue	\$1,311.61	\$1,332.58	\$1,348.38
Unit Cost	\$0.2762	\$0.2762	\$0.2762
Total Cost	\$1,371.98	\$1,367.24	\$1,361.72
Contribution	(\$60.37)	(\$34.66)	(\$13.34)
Contribution Impact		\$25.71	\$47.03

These figures indicate that the 3.529 percent rate increase for Carrier Route is expected to improve actual contribution for FY 2021 by about \$26 million, and is expected to produce a full-year improvement in contribution of about \$47 million.

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2. Please refer to the Response to CHIR No. 11, question 9, in which the Postal Service estimates the impact of the January 2021 price increase for USPS Marketing Mail Flats on FY 2021 volume, revenue, cost, and contribution.
- a. Please confirm the estimated FY 2021 before-rates volume is 6,810.35 million. If not confirmed, please provide a corrected value.
  - b. Please confirm the estimated FY 2021 before-rates revenue is \$1,995.01 million. If not confirmed, please provide a corrected value.
  - c. Please confirm the estimated FY 2021 before-rates cost is \$4,521.08 million. If not confirmed, please provide a corrected value.
  - d. Please provide supporting workpapers demonstrating the confirmed or corrected values from parts a., b., and c. of this question.

**RESPONSE:**

The impact analysis submitted in response to ChIR No. 11 unfortunately reflected errors in the process employed to convert results from the volume categories used in the demand analysis (submitted on January 20, 2021) to the volume and revenue results for the Marketing Mail products presented in the impact analysis. The development of corrected results is demonstrated in the Excel file electronically attached to these responses. For USPS Marketing Mail Flats, the corrected impact results are displayed below.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
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(Millions)	FY 2021 Forecast		
Marketing Mail	Before-Rate	After-Rates	After-Rates
Flats		(Jan)	(Oct)
Volume	3,060.22	3,042.80	3,028.36
Revenue	\$1,298.17	\$1,319.24	\$1,332.06
Unit Cost	\$ 0.6639	\$ 0.6639	\$ 0.6639
Total Cost	\$2,031.54	\$2,019.98	\$2,010.39
Contribution	(\$733.37)	(\$700.74)	(\$678.33)
Contribution Impact		\$32.64	\$55.05

These figures indicate that the 3.553 percent rate increase for Flats is expected to improve actual contribution for FY 2020 by about \$33 million, and is expected to produce a full-year improvement in contribution of about \$55 million